

TAX TIPS FOR MINISTERS:

1. Within three years of your initial licensing to the ministry, you may submit IRS form number 4361 withdrawing from the Social Security system. This means that you need not pay into the FICA fund and may put what you would ordinarily pay into your own savings to draw interest for your retirement. However, your benefits to receive from Social Security will depend upon how much you have paid into it at the time you withdraw from the program.
2. Any books you may have in your own personal ministerial library may be valued, and 20% of that value may be claimed each year for five years on your deductions.
3. Any books or vestments you may purchase may be deducted.
4. Laundry bills for cleaning vestments may be deducted.
5. You may have your church designate part of your salary (up to the amount of your rent) as a housing allowance, and you will not need to claim it as income on your returns.
6. If you use your home for a church office, the percentage of floor space used for that purpose may be multiplied by the entire cost of maintaining the house (rent, utilities), and that amount deducted on your returns. (However, your housing allowance may not exceed the balance of your rent after this deduction.)
7. Your church may also designate part of your salary as a car allowance, and not be claimed as income.
8. If you do not utilize #7, you may deduct the actual cost of gas and oil used in your car while on church business. In addition, if you figure the percentage of total usage that is for church business, you may deduct that percentage of the total cost of maintenance for your vehicle. Or you may use the standard deductions of 18½¢ per mile for the first 15,000 miles and 10¢ per mile for anything more than 15,000 miles driven each year for church business. (You may not count the mileage accumulated for driving between your home and the church.)
9. The costs of seminar and conference travel, registration, housing and food are deductible.
10. Costs related to continuing educational pursuits are also deductible.

THE ABOVE ARE NOT NECESSARILY COMPREHENSIVE, AND ARE MEANT ONLY AS A GUIDE FOR LOOKING INTO TAX BREAKS FOR MINISTERS.

